

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

UNITED STATES OF AMERICA : 1:21CR37
:
v. :
:
ANDREA MARIE PASLEY.

FACTUAL BASIS

NOW COMES the United States of America, by and through Sandra J. Hairston, Acting United States Attorney for the Middle District of North Carolina, and as a factual basis under Rule 11, Fed. R. Crim. P., states the following:

1. From on or about December 1, 2012 and continuing until on or about April 15, 2017, ANDREA MARIE PASLEY (“PASLEY”) lived in Durham County, North Carolina.

2. From on or about December 1, 2012 and continuing until on or about April 15, 2017, PASLEY and her co-conspirators worked together at multiple business locations in Durham County, North Carolina. Starting in 2013, Karen Marie Jones owned and operated a tax return preparation business named “Jones and Stone Taxes,” which was situated in Durham County, North Carolina.

3. PASLEY, Jones, and a co-conspirator named Audrey Renetta Odom worked as return preparers at Jones and Stone Taxes.

4. From on or about December 1, 2012 and continuing until on or about April 15, 2017, in the Middle District of North Carolina, PASLEY, along with her co-conspirators, did knowingly and unlawfully conspire, combine, confederate, and agree together to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful Government functions of the Internal Revenue Service (“IRS”) in the ascertainment, computation, assessment, and collection of revenue.

5. PASLEY knowingly and voluntarily joined the conspiracy to defraud the United States by aiding and assisting clients in the preparation of false U.S. Individual Income Tax Returns.

6. PASLEY, along with her co-conspirators, falsified items on the federal income tax returns of clients for the purpose of increasing income tax refunds issued by the IRS to those clients. The false items on the returns include, but are not limited to, false education credits, false income, and false federal withholdings.

7. PASLEY, along with her co-conspirators, also falsified federal income tax returns of clients for the purpose of increasing income tax refunds issued by the IRS to those clients by listing the names and social security numbers of false dependents on tax returns.

8. PASLEY, along with her co-conspirators, knew that her clients were not entitled to claim those false credits or deductions. As a result of the materially false tax returns they prepared, PASLEY and her co-conspirators caused clients to underpay their income taxes and/or to receive falsely inflated tax refunds to which they were not entitled.

9. It was a part of the conspiracy that PASLEY, along with her co-conspirators, kept a list of educational institutions and their corresponding tax identification numbers to assist in creating tax returns with fraudulent education credits.

10. It was a part of the conspiracy that PASLEY, along with a co-conspirator, used a third-party tax return preparer's electronic filing identification number ("EFIN") to electronically file false tax returns she prepared for the 2016 tax year after the EFIN for Jones and Stone Taxes was suspended.

11. It was a part of the conspiracy that PASLEY, along with her co-conspirators, would and did collect fees from clients for preparing their false income tax returns.

12. PASLEY willfully aided and assisted in the preparation of the false income tax returns as charged in Counts 2 to 8 of the Indictment, knowing that these income tax returns were false or fraudulent, and she did so in the Middle District of North Carolina.

13. PASLEY falsified a personal income tax return, as charged in Counts 9 and 10 of the Indictment. PASLEY made and subscribed a false Form 1040 for calendar year 2015, by reporting that an individual whose initials are N.J. was her dependent, whereas PASLEY knew that the information was false, and N.J. was not her dependent. PASLEY knowingly possessed and used, without lawful authority, a means of identification of another person, that is the name and Social Security number of an individual whose initials are N.J.

14. From on or about December 1, 2012 and continuing until on or about April 15, 2017, PASLEY and her two co-conspirators caused the preparation and presentation of approximately 1,388 tax returns for clients under the business name of Jones and Stone Taxes. A majority of these tax returns contained false material items, such as false education credits, manipulated income to qualify for larger earned income tax credits, and false dependents. Based on an analysis of the falsely claimed education credits, the tax loss is approximately \$1,264,493.

15. The actions of PASLEY recounted above were in all respects voluntary, knowing, deliberate, and willful, and were not committed by mistake, accident or any other innocent reason.

By signing below, the parties stipulate that the following facts are true and correct, and that, had the matter gone to trial, the United States would

have proven them beyond a reasonable doubt by competent and admissible evidence.

SANDRA J. HAIRSTON
Acting United States Attorney

By: /s/ Todd A. Ellinwood
TODD A. ELLINWOOD
Assistant Chief, Tax Division

KAVITHA BONDADA
Trial Attorney, Tax Division

After consulting with my attorney and pursuant to the plea agreement entered into this day between ANDREA MARIE PASLEY and the United States, I hereby stipulate that the above Factual Basis is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

Date: _____
ANDREA MARIE PASLEY
Defendant

I am ANDREA MARIE PASLEY'S attorney. I have carefully reviewed the above Factual Basis with her. To my knowledge, her decision to stipulate to these facts is an informed and voluntary one.

Date: _____
IRA KNIGHT
Attorney for the Defendant

CERTIFICATE OF SERVICE

I hereby certify that on May 3, 2021, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the following:

Ira Knight, Esq.

SANDRA J. HAIRSTON
ACTING UNITED STATES ATTORNEY

/s/ Todd A. Ellinwood
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